

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE

**FRIDAY
MARCH 25, 2011
1:00 P.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

WILLIAM SULLIVAN, AUDIT COMMITTEE
FRAN REED, AUDIT COMMITTEE
JAMES MRAZ, EXECUTIVE DIRECTOR
MIKE ROSSI, WEST & COMPANY
AMY CECELIA, WEST & COMPANY

I. REVIEW DRAFT 2010 AUDITED FINANCIAL STATEMENT:

A. Review Financial Report:

- Presentation by West & Company.

B. Issues:

- Does Audit Committee want West & Company to present report to full IDA Board?

DISCUSSION: Mike Rossi and Amy Cecelia were present to review the draft 2010 Financial Statement for the Fulton County Industrial Development Agency (IDA). Mike Rossi stated that the West & Company has seen a significant improvement in how the IDA's financial records have been maintained since the creation of the Public Authorities Accountability Act. He further commented that the creation of the Chief Financial Officer position has also strengthened the IDA's bookkeeping and recordkeeping functions.

Mike Rossi stated that based upon West & Company's review of all IDA financial records, West & Company has issued an "unqualified opinion" which is the best opinion the IDA could receive. Mike Rossi stated that there has not been a major IDA project undertaken in awhile, which has resulted in not a lot of numbers that need to be audited. He advised that if the IDA does undertake any major projects in the near future that the West & Company be consulted to assist in properly recording information regarding those projects.

Mike Rossi stated that pages 3-13 of the draft Financial Statement represents information provided by management. He stated this information was not audited by the West & Company. Jim Mraz stated that he had a couple of comments on page 13 of the draft audit. The first was with respect to the second sentence under Change in Net Assets. He asked that this be modified to clarify that the primary expense of the IDA is the State mandate that the IDA have an Executive Director. In addition, it was the unanimous consensus of all Committee members present to change the format of Table A-2 to eliminate the right-hand column from being a percent change to utilizing factual numbers.

Mike Rossi reviewed Note #7 on page 22 of the draft report. He stated the final paragraph in there reflects the discovery in 2010 of the potential revenue from the sale of Lots 4 and 7 in the Crossroads Industrial Park. He asked the Audit Committee members if they were comfortable with the language as presented. It was the consensus of all Audit Committee members present that the paragraph as prepared was acceptable.

With respect to Note #7 on page 22, Jim Mraz asked if the first two (2) paragraphs under that note could be eliminated. He stated if they cannot be eliminated, there should be an accounting of what mortgages are being referred to in these two (2) paragraphs. Mike Rossi suggested that the IDA ask the Crossroads Incubator Corporation (CIC) for a listing of the non-recourse collateral security mortgages that the IDA has executed with them. Jim Mraz stated that he would request that information of the CIC.

Mike Rossi stated that the letter on pages 23 and 24 of the draft report represent a second opinion that the West & Company is now required to issue. This opinion is regarding whether the IDA's books and records are in compliance with applicable government standards. He stated this letter states that the West & Company found the IDA's books and records acceptable and therefore issued a clean opinion. Mike Rossi stated this means the West & Company found the IDA's books and records to be in compliance with applicable government standards.

Mike Rossi stated that every audit requires a SAS 114 letter to be prepared. He distributed copies of this letter which acknowledges that the West & Company had no disagreements with management in preparing the 2010 Financial Statement. Mike Rossi stated that there was no need to post this letter on the IDA's website.

Jim Mraz asked Audit Committee members if they thought it was necessary for the West & Company to present its 2010 report to the full Board. It was the unanimous consensus of all present that the West & Company did not need to attend the next IDA meeting to present their report.

Mike Rossi stated that the West & Company will make its final edits to the draft report and submit its final report to the IDA as soon as possible.

Mike Rossi stated that the report will be sent electronically so that the IDA can post it on its newly-created website.

Amy Cecelia stated that she will enter the report into PARIS.

Jim Mraz stated that the IDA PARIS report must be submitted by March 31, 2011.

(Meeting adjourned at 1:40 p.m.)